

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

**FROM: WELDON STUTZMAN
DEPUTY ATTORNEY GENERAL**

DATE: NOVEMBER 20, 2013

**SUBJECT: APPLICATION OF ROCKY MOUNTAIN POWER FOR APPROVAL OF
A CUSTOMER CREDIT TO REFUND OVER-COLLECTION OF
CUSTOMER EFFICIENCY SERVICES RATE, CASE NO. PAC-E-13-15**

On November 7, 2013, Rocky Mountain Power filed an Application requesting approval of a one-time refund to customers in the amount of \$1.4 million effective February 1, 2014. The proposed refund results from the Company's over-collection through its Schedule 191, Customer Efficiency Services Rate that funds the Company's demand-side management programs. Since May 2006, the Company has collected funds for its DSM programs through Schedule 191. The rate initially was set at 1.5% and was increased to 3.72% in May 2008. In February 2010, Rocky Mountain filed an application requesting an increase in Schedule 191 rate from 3.72% to 5.85%. The Commission approved a rate of 4.72%. The Commission approved changes for funding the Company's dispatchable irrigation load control program in the Company's next general rate case, and reduced the Schedule 191 rate to 3.4%. Finally, in May 2012, the Company filed an application to reduce the collection rate from 3.4% to 2.1%, anticipating the reduction would result in annual revenue collections of \$3.5 million. Rocky Mountain Application, p. 4.

Rocky Mountain anticipated revenues of \$4.541 million from Schedule 191 during 2012, and in fact collected \$5.245 million. The Company projects an over-collection during 2013 of \$710,200, resulting in an accumulated balance of \$1.5 million as of December 31, 2013. If no adjustment is made to the collection rate, Rocky Mountain projects a balance at the end 2014 of \$2.2 million. Rocky Mountain Application, p. 5.

Rocky Mountain asserts that it has been successful in achieving its goals to increase DSM savings. For example, the Company's 2012 goal for Class 2 DSM savings in Idaho was 8,500,000 kWh, and the Company achieved 10,545,296 kWh. Application, p. 6.

Rocky Mountain proposes a one-time credit of approximately \$1.4 million be returned to customers beginning February 1, 2014. The Company proposes to implement the credit through a new electric service Schedule 95, Customer Efficiency Services Credit. Schedule 95 would apply to each active retail customer as of February 1, 2014, that was subject to Schedule 191. The credit would be calculated and applied to each individual customer's bill, and the Company proposes to apply the credit beginning February 1 and complete the credit refund no later than March 31, 2014.

Rocky Mountain requests that its Application be processed by Modified Procedure. Staff recommends the Commission issue a Notice of Application and Notice of Modified Procedure providing for the filing of written comments no later than January 10, 2014, with reply comments to be filed no later than January 17, 2014.

COMMISSION DECISION

Should the Commission issue a Notice of Application and Notice of Modified Procedure to process Rocky Mountain's Application, providing for the filing of written comments by January 10, 2014, and reply comments by January 17, 2014?

A handwritten signature in black ink, appearing to read 'W B Stutzman', written over a horizontal line.

Weldon B. Stutzman
Deputy Attorney General

bls/M:PAC-E-13-15_ws